SCHEDULE C (Form 1040)

PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION

1962

Internal	Revenue Service (Compute soci	al security self-emp	oloyment	tax on Schedule C-3 (For	m 1040))		
ttach th	nis schedule to your income tax :	return, Form 1040	— Po	urtnerships, joint ventures,	etc., mus	t file on Forr	n 1065
ame and	d address as shown on page 1, Forn	m 1040			Your Soc	ial Security Nur	nber
Princi (See se	pal business activity parate instructions)	(For example: retail—	-grocer, whol	; productesale—tobacco, legal—services, mo	inufacturing-	-furniture, etc.)	
- Busine	ess name		(C. Employer Identification	ı Number	**	
Busine	ess location(Number and street or rur						
	te method of accounting: acsh			City or post office)	(510	ite)	
. Gross	receipts or gross sales \$	Less: Return	ns and allow	wances \$			
Inven	tory at beginning of year (If difference to explanation)	ent than last year's clo	osing inven	tory			
. Mercl	nandise purchased \$, less co	st of any it	ems			
with	ndrawn from business for personal	use \$					
. Cost	of labor (do not include salary paid	d to yourself)					
i. Mater	rial and supplies						
	costs (explain in Schedule C-1)				_		
1.	Total of lines 2 through 6						
	tory at end of this year						
	of goods sold (line 7 less line 8)				1		
). Gross	s profit (subtract line 9 from line 1))	• • • • • • • • •	• • • • • • • • • • • • • • • • • • • •			
	OTHER	BUSINESS DEDUCTI	ONS				
	eciation (explain in Schedule C-2)						
	s on business and business property on business property						
	rs (explain in Schedule C–1)						
	ies and wages not included on line						
	ance						
	and professional fees.						
	nissions						
	tization (attach statement)						
	est on business indebtedness						
	lebts arising from sales or services.						
	s of business property (attach staten			,			
L Deple	tion of mines, oil and gas wells, tim	ber, etc. (attach sche	edule)				
. Other	business expenses (explain in Sch	edule C-1)			-	i	
5_	Total of lines 11 through 24				.		
	rofit (or loss) (subtract line 25 from						
pag	ge 1, Form 1040				.		
Line No.	SGI Explanation	HEDULE C-1. EXPLANAT	Line No.	Explanation		Amount	
		e		Explanation		Millouiit	
		Ψ				Ф	
		i l			1		

SCHEDULE C-2. EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED ON LINE 11

This schedule is designed for taxpayers using the new guideline lives and administrative process						
as well as for those taxpayers who wish to continue using previously authorized procedures.	Where	double :	headings	appear	use	th
first heading for the new procedure and the second heading for the older procedure.						

1. Group and guideline class	2. Cost or other basis at beginning of year	3. Asset additions in year (amount)	4. Asset retirements in year (amount)	5. Depreciation allowed or allowable	6. Method	7. Class life OR	8. Depreciation for
Description of property	Cost or other basis	Date acquired	(applicable only to Rev. Proc. 62–21)	in prior years	computing depreciation	Rate (%) or life	this year
					-		
							1
				1			
M	1				i	ł	
							1
			i	i .		1	l .
			1	1	1	i	
					-		
. Totals							
Less: Amount of deprecia							
Balance—Enter here and							
4. Amount of additional firs	-						
Cost or other basis of full	y depreciated assets	still in use					
		INVENTO	RY QUESTIONS				
TA7	alast Control		-	othon 🖂 If o	than att	w ab a	l
Was inventory value 2. Have write-downs be							
basis of:	een maae to mve	mory: ies [ies, were ii	ie wille-c	iowns co	omputed on the
	age reductions fr	om parts of th	ne inventory				
* * *	age reductions fr	-	_				
	on of individual i		iiveiiioi y				
. ,	or "b" is checke		norgantago e	of remite deserte		07	For Na // Nh /
	enter the dollar		-			/0•	roi a, b,
	available, estima		•				
3. Was the inventory v				are is air esim			
	If "No," attach			sina inventory	was de	termine	1.
4. Was there any subs							
opening and closi							
NOTE: If a direct answ	-			_			
	_	_	OUNT INFORMA				
Enter information with			Name		Expense accou		Salaries and Wages
your five highest paid e	employees. In d	etermin- 🕌					
ing the five highest p		011001100)wner	i		1	
account allowances mu		1.!		1		1	
aries and wages. Ho need not be submitted		orroo for		į.		1	
whom the combined am	ount is less than	\$10,000,		1		1	
r for yourself if your	expense accoun	it allow- 4				1	
ince plus line 26, pag	e 1, is less than S						
See separate instructions of "expense of	ons for Schedule	e C, Ior					
-		. 7	(Tf			7011 1	
Did you claim a deduc		connected w	ıth: (It answer	to any questi	on is Yl	Lo, che	eck applicable
boxes within that q	uesnon.)						

F.	A hunting lodge , working ranch or farm , fish-
	ing camp □, resort property □, pleasure boat or
	yacht \square , or other similar facility \square ? (Other than
	where the operation of the facility was your princi-
	pal business.) TYES NO

G.	Vacations for you or members of your far	nily, or
	employees or members of their families?	(Other
	than vacation pay reported on Form	W-2.)
	☐ YES ☐ NO	

H.	The leasing, renting, or ownership of a hotel room
	or suite \square , apartment \square , or other dwelling \square ,
	which was used by you, your customers, employees,
	or members of their families? (Other than use by
	yourself or employees while in business travel
	status.) 🗌 YES 🗍 NO
I.	The attendance of members of your family or your

-	The attendo							
	employees'	families	at	conve	ntion	s or :	busi	nes
	meetings?	□ YES	$\square N$	[O		a5010-	77176	1 _1

1962

COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX (See instructions on page 2)

▶ If you had wages of \$4,800 or more which were subject to social security taxes, do not fill in this page.

▶ Complete only one Schedule C-3; if you had more than one business, combine profits (or losses) from all of your businesses on this Schedule.

> Each self-employed person must file a separate schedule. See instructions, page 2, for joint returns and partnerships.

NAME AND ADDRESS (as shown on page 1 of Form 1040)

ΙAΝ	ME OF SELF-EMPLOYED PERSON (as shown on social security card)	Your S	ocial Security Nun	nber
1.	Net profit (or loss) shown on line 26 Schedule C (Form 1040) (Enter combined amount if more than one business).			
	Add to net profit (or subtract from net loss) losses of business property shown on line 22, Schedule C			ı
	Total (or difference)			
4.	Net income (or loss) from excluded services or sources included on line 3 (see "Exclusions," page 2).			
	Specify excluded services or sources			i
5.	Net earnings (or loss) from self-employment—	1		
	(a) From business (line 3 less any amount on line 4)			
	(b) From partnerships, joint ventures, etc. (other than farming)			
	(c) From service as a minister, member of a religious order, or a Christian Science practitioner Enter only if you have filed or are filing Form 2031 (see instructions, page 2).			
	(d) From farming reported on line 2 (or line 3 if option used), separate Schedule F-1 (Form 1040)			
	(e) From service with a foreign government or international organization			
6.	Total net earnings (or loss) from self-employment reported on line 5. Enter here and in item F belov (If line 6 is under \$400, you are not subject to self-employment tax. Do not fill in rest of pa	ge.)		_
7.	The largest amount of combined wages and self-employment earnings subject to social security tax is	00	1	
8.	Total wages, covered by social security, paid to you during the taxable year. (For "Covered" wages see "F. I. C. A. Wages" box on Form W-2.) Enter here and in item G, below			
9.	Balance (line 7 less line 8)\$	<u> </u>		İ
	Self-employment income—line 6 or 9, whichever is smaller. Enter here and in item H, below			
1.	Self-employment tax—If line 10 is \$4,800, enter \$225.60; if less, multiply the amount on line 10 by Enter this amount here and on line 13, page 1, Form 1040	4.7%		

Do not detach

Important.—The amounts reported on the form below are for your social security account. This account is used in figuring any benefits, based on your earnings, payable to you, your dependents, and your survivors. Fill in each item accurately and completely.

3CHEDULE SE (Form 1040) U. S. Treasury Department Internal Revenue Service

U. S. REPORT OF SELF-EMPLOYMENT INCOME

1962

For crediting to your social security account

	To dividual to your cooler cooler, as		,	
А.	Indicate year covered by this return (even though income was received only in part of year): Calendar year 1962 : or other taxable year beginning		PLEASE DO NOT WRITE IN THIS SPACE	
B.	BUSINESS ACTIVITIES SUBJECT TO SELF-EMPLOYMENT TAX (Grocery store, restaurant, etc.)			
C.	BUSINESS ADDRESS (number and street, city or post office, postal zone number, State)			-
D.	SOCIAL SECURITY ACCOUNT NUMBER OF PERSON NAMED IN ITEM E BELOW		ENTER AMOUNT F. FROM LINE 6	
	PRINT OR TYPE NAME OF SELF-EMPLOYED PERSON AS SHOWN ON SOCIAL SECURITY CARD		\$ \$	7.
E.	PRINT OR TYPE HOME ADDRESS (number and street or rural route)		G. FROM LINE 8, IF ANY	
	(City or post office, postal zone number, State)		ENTER AMOUNT H. FROM LINE 10 \$	L

In general, every individual deriving self-employment income during the taxable year from a trade or business carried on by him or from a partnership of which he is a member is subject to the self-employment tax. This computation is made on lines 1 through 11. This tax must be paid regardless of age and even though the

individual is receiving social security benefits.

Ministers, members of religious orders, and Christian Science practitioners.—Duly ordained, commissioned, or licensed ministers of churches, members of religious orders (who have not taken a vow of poverty), and Christian Science practitioners are not automatically covered by the Social Security Act, but may elect to be covered by filing Form 2031. Copies are available in the office of any district director of Internal Revenue. The instructions on the form set out the provisions of the law which permit these forms under certain conditions to be filed to cover ministers, and others mentioned above. Do not delay filing your income tax return beyond the due date even though you have not obtained a Form 2031. In such case, complete this Schedule, file it with Form 1040, and then file Form 2031 as promptly as possible to make your election.

Ministers and members of religious orders who desire coverage shall in addition to their other items of income include for the purpose of determining net earnings from self-employment (but not for income tax purposes) the rental value of a parsonage or allowance for the rental value of the parsonage, and the value of meals and lodging furnished them for the convenience of their employers.

U. S. citizens employed by foreign governments or international organizations.—A U. S. citizen employed in the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands by a foreign government, an instrumentality wholly owned by a foreign government, or an international organization which is organized under the International Organizations Immunities Act, is subject to the social security self-employment tax. These employees should report their income from such employment on line 5(e), of this Schedule, compute their self-employment tax, and file the schedule with their Form 1040. In item B of Schedule SE, enter "Employee of foreign government, etc."

Farm income.—Farmers report farm income and net earnings from farm self-employment on separate Schedules F and F-1 (Form 1040)

EXCLUSIONS

Income (or loss) from the following sources and deductions attributable thereto are not taken into account in figuring net earnings from self-employment. Use line 4 to exclude any such amounts reported on separate Schedule C (Form 1040) that should not be taken into account in figuring your self-employment income.

Doctors of medicine.—Income from the performance of service as a doctor of medicine or income from the performance of such

service by a partnership.

Christian Science practitioners.—Income from the performance of service as a Christian Science practitioner, unless such Christian Science practitioner elects by filing Form 2031 to be covered by the Social Security Act, as explained above.

Religious services.—Income from the performance of service by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order, unless such minister or member of a religious order elects by filing Form 2031 to be covered by the Social Security Act, as explained above.

Employees and public officials.—Income (fees, salaries, etc.)

from the performance of service as:

(a) a public official, including a notary public;

(b) an employee or employee representative under the railroad retirement system; or

(c) an employee (except as indicated above).

Note.—The income of an employee over the age of 18 from the sale of newspapers or magazines to an ultimate consumer is subject to the self-employment tax if the income consists of

retained profits from such sales.

Real estate rentals.—Rentals from real estate, except rentals received in the course of a trade or business as a real estate dealer. This includes cash and crop shares received from a tenant or sharefarmer. These amounts should be reported in Part IV, Schedule B (Form 1040). However, rental income from a farm is not excluded if the rental arrangement provides for material participation by the landlord and he does participate materially in the production or in the management of the production of one or more farm products on his land. Such income represents farm earnings and should be reported on separate Schedules ${\sf F}$ and ${\sf F-l}$.

Payments for the use or occupancy of rooms or other space where services are also rendered to the occupant, such as rooms in hotels, boarding houses, apartment houses furnishing hotel services, tourist camps, or homes, or space in parking lots, warehouses, or storage garages do not constitute rentals from real estate and are included in determining net earnings from self-employment on this Schedule.

Interest and dividends.—Dividends on shares of stock, and interest on bonds, debentures, notes, certificates, or other evidences of indebtedness, issued with interest coupons or in registered form by a corporation, or by a government or political subdivision thereof, unless received in the course of a trade or business as a dealer in stocks or securities. These amounts should be reported in Parts I and II of Schedule B.

Property gains and losses.—Gain or loss: (a) from the sale or exchange of a capital asset; (b) to which sections 631 and 1231 are applicable; or (c) from the sale, exchange, involuntary conversion, or other disposition of property if such property is neither (1) stock in trade or other property of a kind which would properly the stock in trade or other property of a kind which would properly be includable in inventory if on hand at the close of the taxable year, nor (2) property held primarily for sale to customers in the ordinary course of the trade or business. These amounts should be reported on separate Schedule D (Form 1040).

Net operating losses.—No deduction for net operating losses of

other years shall be allowed in determining the net earnings from self-employment. Such deduction should be entered on line 3, Part V of Schedule B.

No deductions for personal exemptions.—The deductions for personal exemptions are not allowable in determining net earnings from self-employment.

MORE THAN ONE TRADE OR BUSINESS

If an individual is engaged in more than one trade or business, his net earnings from self-employment are the combined net earnings from self-employment of all his trades or businesses. Thus, the loss sustained in one trade or business will operate to reduce the income derived from another trade or business. An individual shall fill in and file only one Schedule C-3, including Schedule SE, for any one year.

JOINT RETURNS

Where husband and wife file a joint income tax return, Schedule C-3 (Form 1040) should show the name of the one with self-employment income. Where husband and wife each have self-employment income, separate Schedules C and C-3 must be attached for each. In such cases the total of amounts shown on line 26 of each separate Schedule C should be entered on line 6, page 1, Form 1040, and the aggregate self-employment tax (line 11) Schedule C-3 should be entered on line 13, page 1, Form 1040.

COMMUNITY INCOME

For the purpose of computing net earnings from self-employment, if any of the income from a trade or business is community income, all the income from such trade or business is considered the income of the husband unless the wife exercises substantially all the management and control of the trade or business, in which case all of such income is considered the income of the wife. (Also see instructions on partnerships below.)

If separate income tax returns are filed by husband and wife, Schedules C and C-3 should be attached to the return of the one with self-employment income. Community income included on Schedule C must be allocated between the two returns (on line 6, page 1, Form 1040) on the basis of the community property laws.

PARTNERSHIPS

In computing his combined net earnings from self-employment, a partner should include his entire share of such earnings from a partnership including any guaranteed payments. No part of that share may be allocated to the partner's wife (or husband) even though the income may, under State law, be community income. In the case of a husband and wife partnership, like other partnerships, the distributive share of each should be entered in Part V of Schedule B (Form 1040), for income tax purposes. For self-employment tax purposes the distributive share of each partner should be entered on line 5(b), of this Schedule (except that farm partnership earnings are to be reported on line 1(b), Schedule F-1 (Form 1040) rather than on line 5(b), of this schedule).

Note.—If a member of a continuing partnership dies, a portion of the deceased partner's distributive share of the partnership's ordinary income (or loss) for the taxable year of the partnership in which he died must be included in the partner's net earnings from self-employment. In such cases consult your nearest Internal Rev-

enue Service office as to how to report.

SCHEDULE SE (Form 1040)

Schedule SE, which is the lower portion of this Schedule, provides the Social Security Administration with the information on self-employment income necessary for computing benefits.

To assure proper credit to your account, be sure to enter your name and social security account number on Schedule SE (Form 1040) exactly as they are shown on your social security card. If you do not have a social security account number, you must get These account numbers are obtainable from any social security district office. Your local post office will give you the address. Do not delay filing your return beyond the due date.

Regardless of whether joint or separate returns are filed by husband and wife, Schedule SE (Form 1040) must show only the name of the one with the self-employment income. However, if both had self-employment income, a separate

Schedule SE must be filed by each.